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SUBJECT: DENMARK POLITICAL ROUND-UP

REF: COPENHAGEN 435 (NOTAL)

Classified By: Ambassador Laurie S. Fulton; reason 1.4 (b, d)

11. (C/NF) This is the first in a periodic series of cables summarizing notable political developments in Denmark. In this issue: Denmark's EU opt-outs; Afghanistan debate; Defense Minister weakened; budget negotiations; gang war; EU Commissioner speculation; upcoming local elections.

(U) EU OPT-OUTS  
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12. (SBU) The governing coalition's platform includes a pledge to hold a referendum this parliamentary term on ending Denmark's EU opt-outs (defense, currency, justice/home affairs - a fourth, citizenship, has been overtaken by events). Prime Minister Lars Loekke Rasmussen indicated publicly October 30 that his preferred strategy was to have a single referendum on all of the opt-outs; he admitted he had no imminent plans for such a vote. As he noted, Denmark does not currently qualify to join the euro, as its deficit for 2010 is projected at 5 percent of GDP, well above the 3 percent limit. Rasmussen called a meeting for November 25 with all the pro-EU political parties represented in the parliament, to hear their views. The anti-EU parties in parliament are the right-wing Danish People's Party (DPP) and the far-left Unity List. The governing coalition relies on the DPP to remain in power: without it, the Government would be 25 votes short of a majority in the 179-seat parliament.

13. (C) The PM's Chief Adviser for EU policy Jens Kisling told the Embassy November 4 there will be no referendum without firm consensus among the pro-EU parties, and it is not clear where the parties stand: the main opposition party SDP wants a single referendum, but its ally the Socialist People's Party (SPP) still opposes joining the euro. Opinion polls are not encouraging, and in general, it is politically foolish to call a referendum before a national election. This point is especially relevant now, as the PM has no mandate of his own from the people: he succeeded Anders Fogh Rasmussen without an election last April when the latter became NATO Secretary General. He does not need to call a national election until November 2011. According to press reports, the SPP and the smaller opposition party the Social Liberals want to amend the justice/home affairs opt-out rather than abolishing it. This would enable Denmark to keep its own position on asylum and its minimum age of 24 (higher than the EU minimum) to sponsor a spouse for residency, while "opting in" on EU police and counter-terrorism cooperation. Ireland and the UK have similar arrangements, according to Lisbet Zilmer-Johns, Senior Adviser in the PM's Office.

(U) AFGHANISTAN DEBATE  
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14. (SBU) On November 4, the conservative daily newspaper Jyllands Posten carried front-page statements by representatives of the unions of commissioned and non-commissioned officers in Denmark's armed forces, condemning Afghanistan's "election scandal" and "President without legitimacy," and calling the mission "meaningless." Spokesmen for the governing parties and the opposition Social Liberals defended the mission, while main opposition party SDP called for refocusing the mission on protecting the population and training Afghan security forces. Foreign Minister Per Stig Moeller rebuked the union representatives: "This is outright dangerous for our soldiers, because the more we talk about wanting to get out, the more difficult it becomes to be a moderate or progress-minded Afghan. They will think, who's to protect us when these guys are quitting anyway?" PM Rasmussen emphasized the need to focus on goals, not deadlines, vowing "We will stay in Afghanistan until we have created a much more stable country. If we start questioning this, we are in reality supporting the people who would rather see us leave." The centrist daily newspaper Politiken, until now very supportive of the Afghanistan mission, editorialized "we can no longer support a war which no longer has prospects for success and which creates more problems than it solves," demanding "a clear strategy for getting out." On the other hand, an op-ed in Jyllands Posten noted that "the soldiers who are the closest to the reality are those who believe most of all that it all makes sense. They have seen it on patrols in Helmand. And they are ready to go out again." Several commentators noted the need to await the outcome of the U.S. strategy review.

(C/NF) DEFENSE MINISTER WEAKENED  
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15. (C/NF) Defense Minister Soeren Gade, until now the most effective advocate of Denmark's Afghan deployment, has been weakened by the bizarre case of a book on Danish commando practices that was translated into Arabic and posted on the internet by members of Denmark's defense establishment (reftel). While there is no indication that Gade or any other politician knew anything about that deceptive attempt to show the book posed a security threat, Gade at least inadvertently misled parliament. The Chief of Defense, Admiral Tim Sloth Joergensen - who appears not to have known about the deception either - resigned October 4 after the involvement of Defense Command personnel in the affair came to light. His successor was just announced November 10: Lt. Gen. Knud Bartels, Denmark's Military Representative to NATO. Observers of the Danish political scene assess that Gade would normally be much more pro-active in defending the Afghan mission than he has been since the book scandal broke.

(U) BUDGET NEGOTIATIONS  
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16. (SBU) At 1:30 a.m. November 12, the government and its support party DPP finalized negotiations on the 2010 budget. It will include a DKK 5 billion (approx. USD 1 billion) stimulus package to improve infrastructure; the DPP had wanted DKK 8 billion. The budget also provides, among other things, added funds for care of the elderly, initiatives against youth- and gang-related crime, and support to the police and intelligence services in connection with COP 15. The Government projects a deficit of DKK 90 billion (approx. USD 18 billion). At the DPP's behest, a special repatriation allowance for immigrants giving up their permanent residency will be nearly quadrupled to DKK 100,000 from DKK 27,406, and the minimum age for that allowance lowered from 60 to 55. The negotiations between the Government and the DPP followed a brief spat in which the opposition walked out of talks aimed at generating consensus on the Globalization Fund; the SDP and SPP objected to the Government's desire to withhold allowances from 15-17 year-olds not in school, training or work. The contretemps was resolved when the PM made clear this policy would not be handled through the Globalization Fund.

17. (C/NF) The final stages of the negotiations highlighted emerging tensions between the governing coalition and the DPP, their traditional partner on the budget. Budget negotiations for the past several years have proceeded smoothly, with little disagreement over the final product. This year, the DPP has been more assertive in its role as the indispensable support party (without its 25 seats, the governing coalition would be 25 votes short of a majority in parliament), by raising last-minute, populist demands, centering on the placement of a regional hospital. The absence of the PM during much of the budget negotiations (he has been traveling to generate support for COP-15 negotiations, and has spent much of his time in-country campaigning for his party's candidates in the November 17 local and regional elections) led to a lack of discipline in the final stages of negotiation. Although the budget agreement was announced, there are continued signs of friction between the DPP and the governing coalition, perhaps because the DPP is testing the PM and Finance Minister Claus Hjort Frederiksen during their first budget negotiations in their current positions.

(U) GANG WAR  
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18. (SBU) By Danish standards, there has been a worrying upsurge in violence between outlaw motorcycle gangs and immigrant gangs, largely over drug turf: 110 shootings, 59 wounded and seven killed in the past year. During her November 3 visit, DHS Secretary Janet Napolitano offered assistance, noting that the U.S. has a great deal of experience in this area; Justice Minister Brian Mikkelsen responded with interest.

(U) EU COMMISSIONER SPECULATION  
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19. (SBU) Climate and Energy Minister Connie Hedegaard is the public-opinion favorite to be Denmark's new EU Commissioner when the new Commission takes office in January. The assumption is that she would then get the climate portfolio. FM Moeller, like her a member of the junior coalition party Conservatives, is on record as saying she would make a fine Commissioner. PM Lars Loekke Rasmussen has delayed making a decision on whom to nominate for Brussels; normally it would be someone from his own party Venstre, the senior member of the ruling coalition. Venstre politicians have floated the name of Education Minister Bertel Haarder, a former Minister for European Affairs and a member of the European Parliament from 1994 to 2001. Development Minister Ulla Toernaes also has some support.

(U) LOCAL ELECTIONS  
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10. (SBU) Danes went to the polls Tuesday, November 17 to elect municipal and regional councils (septel). If recent history is any guide, the outcome does not/not provide any clear indication of the various parties' prospects in the next general (national) election, which is not required until November 2011 but could be called earlier by the PM. Foreign permanent residents can vote in local - but not national - elections.

FULTON